



# Representative Carolene Mays

## Stemming the Property Tax Crisis:

# Action is Needed Now

The increase in property taxes is affecting many Hoosiers. As a fellow homeowner, I truly understand the concern and agree that more needs to be done to help you and others who are impacted. The “American dream” of being a homeowner should not be the “nightmare” it has become for many.

Property taxes are used by local governments to help cover the costs of public schools, public safety, child welfare services, libraries, IndyGo and other units of government. Unfortunately, those costs continue to increase and property owners continue to pay those increases. A real long-term solution to high property taxes is controlled spending and better government efficiency.

Also, the Supreme Court-ordered reassessment of property value based on the market has impacted some neighborhoods harshly. Since some properties were originally assessed far below market value, those properties have been seeing large increases over the last few years. Within the business and commercial areas, many properties were either not assessed or underassessed, shifting that burden to homeowners. The business inventory tax phase out has had a minor impact in some areas, as well.

I was joined by many other legislators and taxpayers in urging Governor Daniels to call for a reassessment and to allow homeowners to pay the 2006 tax levels until a fair and reasonable assessment is completed. In response to these calls, the Governor took action. The 2006 amounts will be in effect for this tax cycle, as well as the tax cycle this fall.

There were some other steps taken by us on the State level earlier this year to help soften the impact of the anticipated increases. Please allow me to highlight a few of these initiatives:

- \$550 million has been appropriated over the next two years that will go directly to homeowners for property tax relief.
- Most homeowners will receive a rebate check for a portion of their 2007 property taxes, which is approximately double the amount of your Homestead Credit.
- A 2% cap (also known as a circuit breaker) has been placed on property taxes beginning in 2008. This cap limits the amount homeowners can pay in property taxes.
- The homestead deduction for 2009 was increased to \$45,000.
- The eligibility for senior citizen deduction was increased from \$144,000 assessed value to \$182,430.
- The eligibility for veteran deduction was increased from \$113,000 assessed value to \$143,160.
- A more equitable system was created to give local governments the option to freeze property tax levies and use income taxes instead, which are based more on one's ability to pay.
- Because of the increase in local government and school building spending, capital projects boards are being created in each county to oversee projects and reduce unnecessary spending.



While these initiatives are helpful, I acknowledge more needs to be done ... much more!

Unfortunately there were other proposals in discussion that did not become law, like the State taking over funding for the child welfare services that continue to escalate in costs. There are more short- and long-term ways to solve this problem. We must act now.

Please continue to take interest and raise your concerns in this important matter. Your voice does not go unheard.

If you have any questions, please feel free to call me or for more information on property taxes (credits, exemptions, distribution, etc.), visit the Department of Local Government and Finance at [www.in.gov/dlgef](http://www.in.gov/dlgef).

Very truly yours,

*Carolene Mays*



# Representative Carolene Mays

Please contact me with concerns: 232-9600 • H94@in.gov

## What can we do to lower property taxes?

Several short- and long-term initiatives are being discussed to help homeowners. In addition to the State looking to take over some fast-growing civil or local units of government, such as child welfare or school budgets, some other possible help would include:



- The State using more surplus money to help with property tax reduction.
- Make the circuit breaker retroactive to include 2007.
- Counties using the option the State put in place to use a 0.5% local option income tax for dollar for dollar tax relief. The income tax option would spread the load beyond property owners, and be based on income.
- Find ways to control local government spending.
- Eliminate the cap on the property tax replacement fund that was instituted in the 2005 budget. This would increase the property tax replacement credits and homestead credits for homeowners.

We in the General Assembly will continue to focus on ways to reduce local governments' reliance on property taxes and relieve the property tax burden on you and other homeowners. It is priority one!

## How do I appeal an assessment?

With the new assessment, there may be instances in which a home has been assessed at too high a value. Upon receiving a new assessment, all property owners should ask themselves two questions:

**Question 1:** Does the new assessment accurately represent the value of my property?

**Question 2:** Is my property tax record card free of errors?

If based on the above questions you want to appeal your assessment, you should take the following steps:

**1** File a petition for review with the township assessor within 45 days of receiving your bill or July 1, whichever is later. A copy also should be filed with the county assessor. You should use Form 130 for a review of your assessment and Form 133 for a correction of errors in your record card.

**2** If you do not achieve a satisfactory resolution with the township assessor, you can pursue your review with the Property Tax Assessment Board of Appeals, the Indiana Board of Tax Review and, ultimately, with the Indiana Tax Court.

**If you have questions about the appeals process,** please contact the Indiana Department of Local Government Finance at 232-3777.

**Rep. Carolene Mays**  
Indiana House of Representatives  
200 W. Washington St.  
Indianapolis IN 46204

Prst Std  
U.S. Postage  
**PAID**  
Indiana House of  
Representatives